

October 5, 2023

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 23-84

This All County Letter is to Inform counties of the changes to withholding of the 1991 Realignment Funds related to Collective Bargaining requirements



KIM JOHNSON
DIRECTOR

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

October 5, 2023

ALL COUNTY LETTER NO. 23-84

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL IN-HOME SUPPORTIVE SERVICES PROGRAM MANAGERS
PUBLIC AUTHORITY EXECUTIVE DIRECTORS

SUBJECT: **INFORM COUNTIES OF THE CHANGES TO WITHHOLDING OF 1991
REALIGNMENT FUNDS IF CERTAIN REQUIREMENTS ARE MET
DURING COLLECTIVE BARGAINING PROCESS**

REFERENCE: [SENATE BILL \(SB\) 80 \(CHAPTER 27, STATUTES OF 2019\)](#)
[ASSEMBLY BILL \(AB\) 120 \(CHAPTER 43, STATUTES OF 2023\)](#)
[WELFARE AND INSTITUTIONS CODE SECTION 12306.16](#)
[WELFARE AND INSTITUTIONS CODE SECTION 12301.61](#)
[WELFARE AND INSTITUTIONS CODE SECTION 12306.17](#)
[WELFARE AND INSTITUTIONS CODE SECTION 17602.05](#)
[ACL NO. 19-111, DATED DECEMBER 11, 2019](#)

The purpose of this All County Letter is to inform counties and Public Authorities/Nonprofit Consortiums (PA/NPCs) of revisions made to the previously issued guidance regarding Collective Bargaining and how counties may be subject to a withholding of funds beginning October 1, 2023 if certain conditions are met as authorized in [AB 120](#), (Chapter 43, Statutes of 2023).

BACKGROUND

In January 2019, Welfare and Institutions Code ([WIC](#)) [section 12301.61](#) (SB 80, Chapter 27, Statutes of 2019) was amended which added language subjecting counties and PA/NPCs to the 1991 Realignment Funding Withholdings if they meet certain requirements during the collective bargaining process. As of July 1, 2021, the withholding was equivalent to seven percent of the county's Fiscal Year (FY) 2020-21 In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) requirement, as reported by the Department, prior to applying any offsets pursuant to [WIC Section 12306.17](#). Effective October 1, 2023, the withholding amount increases to ten percent of the county's prior FY IHSS MOE requirement, as reported by the Department, prior to applying any offsets pursuant to [Section 12306.17 \(AB 120, Chapter 43, Statutes 2023\)](#).

This withholding shall continue once per FY, each FY, until the county enters into a collective bargaining agreement with the employee organization.

COLLECTIVE BARGAINING-COUNTIES SUBJECT TO A WITHHOLDING OF FUNDS

Effective October 1, 2023, counties shall be subject to a withholding of 1991 Realignment Funds if all the following conditions are met:

1. The parties have completed the process described in subdivisions (a) through (c) of [Welfare & Institutions Code Section 12301.61](#) (negotiation, mediation, fact-finding panel, post-fact-finding mediation, and public hearing held by county board of supervisors.
2. The fact-finding panel has issued findings of fact and recommended settlement terms that are more favorable to the employee organization than those proposed by the PA or NPC.
3. The parties do not reach a collective bargaining agreement within 90 days after the release of the fact-finding panel's recommended settlement terms.
4. The collective bargaining agreement for IHSS providers in the county has expired.

The amount of funds withheld will be equivalent to ten percent of the county's prior FY county IHSS MOE requirement, as reported by the Department, prior to applying any state General Fund (GF) offsets pursuant to [WIC Section 12306.17](#). The Public Employment Relations Board is required to notify the county, the employee organization, the Department of Finance, and the State Controller that a county is subject to the withholding within 15 days of determining that the county is subject to a withholding.

Questions or requests for clarification regarding the information in this letter should be directed to the Adult Programs Division (APD), Fiscal and Administrative Bureau's Financial Management Unit (FMU) at APD_FMU@dss.ca.gov. The inquiry will be directed to the assigned APD FMU Analyst for each county.

Sincerely,

Original Document Signed By

LEORA FILOSENA, P.M.P.
Deputy Director
Adult Programs Division